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**THOUGHT  
FOR THE MONTH**

**“Success  
is a lousy  
teacher.  
It seduces  
smart people  
into thinking  
they  
can’t lose.”**

**Bill Gates**

## MESSAGE FROM OUR PARTNER

We are delighted to announce that **Callidus** has expanded to open a new branch in New Delhi, since June 2016. The new premises is located at **D 1<sup>st</sup> 145 BASEMENT (REAR), LAJPAT NAGAR 1, NEW DELHI – 110 024.**

Given the growing and ever expanding needs of our industry, the new office will further extend Callidus' presence and services for all our valued clientele. The strategic location of our new office in New Delhi will allow us to appear in various Tribunals, City Civil Courts, the High Court and handle a wide array of matters before the Supreme Court of India.

It would be our great pleasure to serve you at our new branch with the same quality and service that you have come to expect of us.

Thank you for your continued support and patronage.

**Joy Thattil**

# “INDIA DRY BULK CARGO - DRYCON SUMMIT 2016”



“India Dry Bulk Cargo Summit - Drycon 2016” was held on 9<sup>th</sup> June 2016, organised by The Shipping Tribune and was very well received by the industry.

Ms. Lavina Kripalani, Associate Partner at M/s. Callidus Legal who attended the Drycon Summit brings us an overview of what was shared by the different speakers who gave their enlightened views, predictions and recommendations on this sector of Indian Shipping.

Mr. Shriram Sivaramakrishnan, an Associate Editor at S&P Global Platts, in his session on “An Overview of Global Seaborne Transportation of Dry Bulk Commodities” concluded that in general the freight rates given the

supply and demand could be flat too low for the rest of this year. Looking ahead for the next three to five year period, we’ve seen tonnage supply grow at about 3% whereas the demand growth is expected to be around 2%. With the way the freight rates are there’s a lot more new arbitrage volumes we’re seeing and these oblong arbitrage windows are only going to work against themselves before the market re-balances itself.”

Mr. Benson Peretti, General Manager of LISCR (Singapore), Pte. Ltd., provided a significant insight on the role of registries in the growth and improvement of the Maritime industry. Giving an overview of the Dry Bulk

market, he shared, “Bulk owners are not alone, the container sector is hurting, the offshore sector is hurting. We’ve seen a lot of reduction in terms of tonnage in the off shore sector. So, that’s the state of the market, we all know the issues with overcapacity, the capacity that is coming on the way and decreases in demand. This poses challenges though and you have to look at reduced income for the vessels, yet the need to provide a safe, secure and complying operation, so it is a balancing act and we feel that a registry or a flag administration can make a difference in helping the balancing act between ensuring compliance and the best use

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## 10 Ways to Be Professional at Work

### 1. Be on time in the morning and all day.

If your starting time is 9:00 a.m., then be in your office no later than 8:45 a.m. If your lunch hour starts at noon, then make it a point to be back in the office by 1:00 p.m. every single day. Make it a habit to always be on time.

### 2. Become a resource to the people you work with.

Pay attention in departmental meetings and be sure to read the company memos that circulate through the website and in the company mailbox. If you stay on top of company information, then people will recognize you as a resource and respect your professional approach to your job.

### 3. Avoid office politics and gossip.

It's an unfortunate truth that office politics is a way of life as you climb the corporate ladder. But if you avoid office drama and stay far away from co-worker gossip, then you'll establish the professional reputation you want.

### 4. Dress professionally.

When it comes to dressing professionally, you don't need to wear a business suit every day. Your job came with a dress code and you need to follow that code. If your job requires a business formal dress code, then follow it. Keep yourself professionally groomed, and always pay attention to your personal hygiene.

### 5. Show respect for others in your office.

You don't need to be the shoulder everyone cries on, but you do need to have respect for others and show common courtesy to your co-workers. If there's a fellow employee that you'd rather not associate with, then avoid his company and don't get involved in whispering behind his back.

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of the revenues that are available in the shipping industry."

Capt. S. R. Patnaik, Managing Director of International Shipping and Logistics, provided investors with precious tips, which are summarized as follows:

- Ship investments should not be done purely on the basis of market intelligence or forecasts.
- Ship owners should have a diversified portfolio- Dry, Liquid, Gas, Container etc.
- Buying & selling, should be done taking benefit of the volatility of the market.
- Preserve sufficient cash for the bad days.
- Risk Management is the key to success.
- Selection & retention of right talent ashore and on-board.

He concluded with some reassurance for The Shipping Industry, "There is no real need to panic, this is like any other cycle we've seen in the past, invest wisely, this is the time to invest. If you decide to be in this business, be there for long, only then can you take benefit of it. Do not look at this business as a quick money spinner."

Mr. Ashok Jain the Managing Director of Diamond Shipbrokers Pvt. Ltd. in his talk on "**Dry Bulk Market – Emerging Trends**" laid emphasis on the following points:

- Dry Bulk market has transformed in the last one decade, new investors have entered the market.
- The ships are young, fuel efficient and productive but turned into a "Commodity" in an over supplied market.
- The commercial management of ships is shifting from Head owners to Operators and Commercial Pools.
- In view of the sluggish growth in sea borne trade, a restraint in new building orders and continued demolition only will ensure balance of demand and supply and fair return on investment.

The challenges and initiatives to tackle them and the potential of Bunkering in India were covered in the talk on "Bunkering Potential at Indian Ports" by Mr. Manoj Tondon, General Manager & Head Marketing, Adani Bunkering Pvt. Ltd. Starting with a general analysis from the shipping outlook, he shared : "The Shipping industry is likely to witness significantly low growth in demand

particularly due to China's economic slowdown and low global growth forecasts further point to a dismal demand outlook for 2016. This worrying scenario is likely to be further exacerbated by an expanding supply of fleet capacity that shows no signs of slowing down. The current bunker market in India is almost close to one million tons. India's GDP is expected to grow at 7.4% but as it is known that growth in GDP may not be the actual reflection of increase in bunker consumption in India. Although we expect that shipping industry is likely to show growth of 6-7%, we are expecting vessel traffic to increase by 4.8% which as of now is not visible but we expect it should in the next coming months. Hypothetically if 30% of vessel traffic start taking bunker in India, the bunker projected market by 2020 will be approx. 18 MMT or more.

He concluded the topic by introducing another alternative, "In spite of challenges faced, to what extent can LNG as a bunker fuel develop only time will decide. We have got scrubber technology which is also there for clean fuel and in some regions some of the ships have shifted over to scrubber technology but then it has got cost and some other implications. With prevailing prices of fuel oil, scrubber technology looks to be one of the possible solutions.

## INDIAN PARLIAMENT BACKS KEY TAX BILL

India's parliament has passed the much-awaited Goods and Services Tax (GST) bill. The tax reform has been labelled a landmark and India's biggest tax reform since independence. The changes aim to streamline India's fragmented tax system with a single levy. Indian businesses have been lobbying for the single tax rate as it would reduce costs, particularly for shipping goods across state borders. What promises to be one of the world's most complex tax reforms is expected to be serviced by state-of-the-art technology. Indian software giant Infosys is building a gigantic electronic infrastructure - a GST portal - where taxpayers can register, make payments and file returns. Some 7.5 million businesses will be covered by the tax. Clearly, a successful GST in India will be a minor miracle.

### Why is this move so important?

The goal is to create one single market. Currently, everything sold in India is subject to a multitude of taxes varying from state to state. This is a bureaucratic burden, with a lot of money lost in a fragmented market. With every state deciding its own taxes it also encourages local protectionism. The new efficiency aims to boost growth, with optimistic estimates suggesting more than 2% of added economic growth. India already has overtaken China as the world's fastest growing economy.

### What are the changes?

The Goods and Services Tax will replace that confusing jumble of existing taxes - ranging from lottery and entertainment tax to VAT, sales tax or luxury tax - with one single tax. There also will be no more taxes at the different state borders within the country. Currently, goods brought for example from the northern city of Haryana to Chennai are taxed in six different states.

### Why did it take forever?

The individual states fear they will lose money. They will now be compensated for their lost revenue over the next five years. Another compromise is that the lucrative businesses of fuel and alcohol have been entirely left out of the new tax for now. The bill has been a key goal of Prime Minister Narendra Modi and easily passed the lower house, but was long held up in the upper house where Mr Modi's BJP party does not have a majority.

### What happens next?

Although the vote in the upper house is labelled a breakthrough, the actual tax is still quite some time off. First, at least half of the country's 29 states will have to approve the bill before it can become law. Then, the actual tax will need to be decided. A government panel has suggested a rate of 17-18%. The government target for the tax coming into effect is April 2017 but many doubt it will be in place by then. It's to be an electronic tax with no more manual filing - the massive IT infrastructure will be an added challenge on the way to India's tax miracle.

-BBC News India

# MCA DESIGNATES 8 SPECIAL COURTS FOR CORPORATE CASES



सत्यमेव जयते

## Ministry of Corporate Affairs Government of India

The Ministry of Corporate Affairs has announced eight different courts in different states and union territories of India as "special courts" for speedy trials of serious corporate offences. This is with effect to section 435 of the Companies Act, 2013 which talks about the establishment of special courts with respect to solving of disputes in regards to company matters. Section 435 of The Companies Act, provides that the Central Government for the purpose of providing speedy justice with respect to the matters concerned with The Companies Act may designate a special court. According to the government, it is believed that there are 50,000 cases that are pending with respect to company litigations alone and out of which 5000 cases are considered to be of greater offences.

The intention of initiating this step is to resolve the pending cases which are very high in nature and that the corporations which have committed

these offences are not being punished. As per the notification, the special courts have power to try cases which are punishable with imprisonment which may extend to 2 years.

This step initiated by the government is one step forward towards the reduction of pending disputes especially company matters which are highly complex when compared to other kinds of litigations which are comparatively less complex.

As per the notification, there are 8 courts that will have jurisdiction to try the matters, they are

1. Courts of Additional Special Judge, Anti-Corruption at Jammu and Srinagar - having jurisdiction in the State of Jammu and Kashmir.
2. Presiding Officers of Court No's. 37 and 58 of the City Civil and Sessions Court, Greater Mumbai - having jurisdiction in the State of Maharashtra.

3. Court of Principal District and Sessions Judge, Union territory of Dadra and Nagar Haveli at Silvassa - having jurisdiction in the Union Territories of Dadra and Nagar Haveli and Daman and Diu.

4. Court of District Judge-I and Additional Sessions Judge, Panaji - having jurisdiction in Goa.

5. Court of Principal District and Sessions Judge, Ahmedabad (Rural), situated at Mirzapur, Ahmedabad - having jurisdiction in the State of Gujarat.

6. 9<sup>th</sup> Additional Sessions Judge, Gwalior - having jurisdiction in the State of Madhya Pradesh.

7. Court of Additional District and Sessions Judge, Port Blair, Andaman And Nicobar Islands.

- 2nd Special Court, Calcutta - having jurisdiction in the State of West Bengal.

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